

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6299

BILL NUMBER: HB 1026

DATE PREPARED: Nov 8, 2000

BILL AMENDED:

SUBJECT: Employee lunch and rest breaks.

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FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires an employer to give an employee a lunch period of at least 30 minutes if the employee is scheduled to be on duty for at least six hours. It provides that if an employee works more than 12 consecutive hours, the employee must be given the opportunity for another lunch break.

The bill requires an employer to provide a paid rest break of ten minutes to an employee who has been on duty for at least two continuous hours.

The rest and lunch break requirements do not apply when the employer has only one employee on duty during specified periods. The terms of a negotiated collective bargaining agreement, settlement agreement, or bona fide agreement between an employee and employer are not affected by the provisions of this bill.

This bill provides that a violation is a Class C infraction and that each time a person is in violation, the person commits a separate infraction.

Effective Date: July 1, 2001.

Explanation of State Expenditures: This bill requires an employer to provide an employee who has been on duty for two or more continuous hours with a paid rest break for ten minutes. This provision pertains to all state government employees who are not part of a negotiated collective bargaining agreement or settlement. Approximately 12,000 state employees would be eligible under the work break provision of this bill.

The State Department of Personnel does not have an established policy for employee work breaks. Work hours for state employees are set by each state agency. The fiscal impact of this legislation is unknown; however, it will be dependent on the number of employees working in state agencies that currently do not have a break policy and any impact on productivity a work break may cause.

The lunch break provision of this bill does not apply to the state employees.

Explanation of State Revenues: *Penalty Provision:* A person who violates the provisions of this bill commits a Class C infraction. If additional court cases occur, revenue to the state General Fund may increase if infraction judgments and court fees are collected. The maximum judgment for a Class C infraction is \$500 which is deposited in the state General Fund. If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed. 70% of the court fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

Explanation of Local Expenditures: The bill's requirement that an employer provide an employee who has been on duty for two or more continuous hours with a paid rest break for ten minutes pertains to all local government employees who are not part of a negotiated collective bargaining agreement.

The bill also requires local government units to pay an employee for a missed lunch break under certain conditions. This provision of the bill pertains to all local government employees including police officers, firefighters, and other employees working non traditional schedules. This bill does not impact employees covered by a negotiated collective bargaining agreement or settlement agreement.

The impact of this legislation on local government units is unknown and will depend on the number of employees that currently do not have a lunch and/or work break policy and the breaks' impact on the workers' productivity, if any.

Explanation of Local Revenues: *Penalty Provision:* In the event that additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed, and if collected would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed, and if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: All.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Keith Beesley, Attorney, State Department of Personnel, (317) 232-3062.